a number of welfare schemes for bidi workers and their families in the field of health, education, housing and recreation.

[English]

Legislative Councils

*46. SHRI K.H. MUNIYAPPA: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government have decided to review Legislative Councils in some States;

(b) if so, the details thereof;

(c) whether some parties are not only opposing the view of reviving Legislative Councils but also suggesting to wind up Legislative Councils in the States where they are existing; and

(d) if so, the reaction of the Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a), (b) and (d) Government have decided to introduce a Bill for revival of Legislative Councils in the States of Punjab and Tamil Nadu.

(c) Yes, Sir.

Insurance Cover to Investors

*47. SHRIMATI SARADA TADIPARTHI:

SHRI VIJAY PATEL:

Will the Minister of FINANCE be pleased to state:

(a) whether Rs. 1000 crore CRB scam was unearthed recently;

(b) if so, the details thereof;

(c) whether the Government propose to bring forward a legislation to protect Investors;

(d) if so, by when;

(e) whether an insurance cover is likely to be provided to protect the interest of investors;

(f) if so, the details thereof and other measures likely to be taken by the Government in this regard; and

(g) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The main activities of CRB Capital Markets Ltd. (CRBCML) were hire purchase, leasing, merchant banking, bills discounting and making loans and advances. A complaint was received in December, 1996 by Reserve Bank of India (RBI) from Tourism Finance Corporation of India Ltd. regarding default of repayment of deposits by CRB Capital Markets Ltd. Global Trust Bank Ltd. has also reported to RBI in March, 1997 about development of Letter of Credit opened by a group Company. Further, CRBCML fraudulently overdrew its accounts with the State Bank of India, Mumbai Main Branch (MMB) for payment of interest warrants, deposit refunds and brokerage warrants by an amount of over Rs. 58 crores. Keeping in view the findings of the inspection carried out by RBI between November, 1996 and January, 1997 and the subsequent developments, especially relating to State Bank of India (SBI), RBI issued prohibitory orders in April, 1997 undrer section 45MB(1) & (2) of RBI Act directing the company not to accept any further deposits and not to alienate any assets without prior permission of RBI. RBI filed a winding up petition in the Delhi High Court under section 45 MC of the RBI Act on 21.5.1997. A provisional Liquidator has been appointed by the Delhi High Court. The Liquidator has initiated action to crystallize the assets and liabilities of the company.

(c) and (d) Keeping in view the twin needs of providing adequate protection to the depositors and maintaining the stability of the financial system, the Parliament has recently enacted amendments to the Reserve Bank of India Act, for regulating Non-Banking Finance Companies (NBFCs) which inter-alia, include mandatory requirements for registration, minimum net owned funds, maintenance of liquid assets, compulsory transfer of certain proportion of profits to reserves and empowering the Company Law Board to look into the cases of non repayment of deposits. These measures would facilitate continued liquidity and solvency of NBFCs and are expected to go a long way in enabling the NBFCs to meet the liabilities of depositors as and when they accrue.

(e) to (g) A viable deposit insurance scheme for NBFCs requires the consolidation of this sector and an adequate frame-work for their supervision. Further, the possibility of the riskier of the NBFCs being favoured by a non-discriminating, all inclusive approach to deposit insurance has to be kept in view. The examination of the feasibility of introducing a deposit insurance scheme for the depositors of NBFCs is one of the terms of reference of the working group constituted by RBI in September 1996 to examine an appropriate instrumentality for supervision of NBFCs.

Trade with Bangladesh

*48. SHRI BAJU BAN RIYAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the export policy for facilitating trade with Bangladesh in the package of programmes for developing of North-Eastern States has been formulated;

(b) if so, the details thereof;

(c) the main recommendations of the Shukla Commission in this regard in framing of this policy; and

(d) the expected time for implementation of the said policy?